

FYI: COCOM is the Paris-based NATO Coordinating Committee on export controls. It consists of 14 NATO members (not Iceland) plus Japan. It was established for the purpose of restricting the direct or indirect transfer of strategic goods and technologies to the Warsaw Pact. In general such goods have included finished or semi-finished military goods, as well as computers, semiconductors and integrated circuits or associated manufacturing equipment, specialized electronic test equipment, certain communications gear, and three axis numerical controls for machine tools. The ultimate destination and end-user of such goods is a major consideration.

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Central Intelligence Agency



Washington, D. C. 20505

**CUBA: Discussion of Issues Related to Cuba as a
Potential COCOM Destination**

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TAB 1. Cuba's Role as an Extension of Soviet Military Power

The Soviet-Cuban military relationship differs from both the USSR's relationship with its Warsaw Pact allies and with its Third World client states. Although there is no evidence of a formal military treaty between Cuba and the USSR, the military establishments of the two countries have developed closer working relations than exist between the Soviet Union and any non-Warsaw Pact country. For example, in Ethiopia, the Soviets themselves assumed control over Cuban combat operations in the Ogaden in the late 1970s. Also, unlike any other recipient of Soviet military assistance, either within the Warsaw Pact or in the Third World, Cuba is not obligated to pay for the weapons it receives. Implicit in the Soviet assistance, however, is the accrual by Moscow of military and other benefits from this otherwise one-sided relationship. []

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This Soviet military assistance has enabled Cuba, unilaterally or in collaboration with the USSR, to aid leftist governments or liberation movements in the Third World. For Castro, this means an opportunity to play a role on the world scene which is out of proportion to Cuba's size, location, and resources. For Moscow, it affords a chance to promote dissidence or insurgency or buttress friendly regimes without direct Soviet military participation. The Soviets also make substantial use of Cuban facilities. Such access facilitates greatly the collection of intelligence against the US, makes possible extended naval surface deployments to the Caribbean, and permits them to conduct naval air reconnaissance over the North Atlantic and along the west coast of Africa. []

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Moscow's willingness to accelerate the flow of weapons to Cuba, beginning in 1976, was probably related to Castro's involvement in Angola, and willingness to engage in a combat role in Ethiopia. Since 1975, Cuba has provided significant military aid to leftist regimes in Angola, Ethiopia, Grenada and Nicaragua--the latter serving in turn as the principal arms conduit to insurgents in El Salvador. For the most part, Cuban military personnel abroad perform as advisors at all levels of the indigenous army, fill technical billets, train personnel in technical specialties, provide security for key officials, and function as a reserve force. In a few countries--primarily Angola and Ethiopia--Cubans have engaged in combat against Western-backed forces. About 40,000 Cuban military personnel are currently serving abroad, with sizable contingents in the following countries:

Algeria	100
Angola	30,000
Congo	300
Ethiopia	5,000-6,000
Libya	150
Mozambique	1,000

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Nicaragua 2,500-3,500
South Yemen 500

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The Cuban role as a Soviet surrogate in the Americas has differed from that in Africa. In Ethiopia, the Soviets and the Cubans were closely involved in a joint undertaking from late 1977. The USSR maintained command and control, and provided ships and planes to transport Cuban troops. Cuba's initial involvement in Angola, during mid-1975, was intended only to administer Soviet military aid, but the Cuban contingent was in danger of being overrun and subsequently was expanded to a major combat role. In contrast to the joint Soviet-Cuban role in Africa, Havana has taken the lead in the Caribbean and Central America. Here the Cuban role has been one of covert support of dissident movements, and military and security assistance, rather than direct military intervention.

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These Cuban activities have clearly yielded benefits to the Soviet Union. In two countries--Ethiopia and Angola--Marxist regimes would probably not have survived without Cuban support. In Nicaragua, Cuban arms and tactical advice played a key role in the ouster of Somoza, and Cuban assistance remains important to the survival of the regime. The Cuban presence in other Third World countries is also important in providing sympathetic entree, and has advanced Soviet material and ideological objectives.

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TAB 2. Cuba's Offensive Military Capabilities

Since Fidel Castro's seizure of power in 1959, Cuban-Soviet military ties have grown steadily, and over the years both parties have benefited from the relationship. Since 1975, the relationship appears to have broadened considerably, with Cuba receiving large quantities of Soviet military equipment of increasing sophistication. While most of the equipment could be characterized as defensive in character, much of it can be used in an "offensive" role as well. [REDACTED]

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As a consequence of this aid, Cuba has been able to develop a modern military establishment capable of mounting not only a formidable defense of its own territory, but also of projecting military power some distance from its shores. Cuba has by far the largest, best-equipped, and most capable armed forces in the Caribbean (excepting only the US). In terms of size, only one country in all of Latin America--Brazil--has a larger military establishment. [REDACTED]

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All branches of the Cuban armed forces have benefited from Soviet largesse. The primary focus of ground forces modernization has been the improvement of unit mobility and firepower by the introduction of more capable tanks and armored equipment field artillery and mobile air defense systems. Capabilities of reserve forces, too, have been enhanced by new equipment, and upgraded training. The result of this have been substantially improved capabilities to draw upon mobilized forces to mount an aggressive, in-depth territorial defense. [REDACTED]

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About two-thirds of the Cuban Navy's operational ships have been delivered since 1977. Most of the vessels received are improved missile attack and torpedo boats and minesweepers that would be most appropriate for coastal defense and anti-blockade activities. The addition of several OSA-II-class guided-missile patrol boats has trebled the missile carrying capacity of a decade ago. The acquisition of three Foxtrot-class diesel attack submarines and two Koni-class frigates has given the Cuban Navy its first bluewater capability, and in conjunction with new MI-14 helicopters, a nascent capability to conduct anti-submarine warfare. With the acquisition of two Polnocny-class landing ships, and a merchant marine which has increased substantially in size to about 100 ships of 1000 tons or greater in the past decade, Cuba has developed the capability to transport and support small combat units throughout the Caribbean if unopposed militarily, and to support military activities elsewhere. [REDACTED]

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All-weather air defenses have been extended to cover the entire island by the addition of overlapping longer-range radars, stationing more capable interceptor aircraft outside the Havana area, and supplementing the surface-to-air missile network with the low-altitude SA-3 system. More than three-fourths of the fighter and combat-capable jet trainers in the Cuban inventory have been introduced since 1977, with the bulk of these being [REDACTED]

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late-model MIG-21 and MIG-23 fighters and L-39 jet trainers. The later-model MIGs are especially significant, as their operational radius has expanded greatly the offensive potential of the Cuban air force. The Soviets have also delivered several MI-24 ground attack helicopters and a large number of MI-8/17 transport helicopters. [redacted]

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The Castro regime's air transport capabilities have been significantly upgraded since the late 1970s. Short-range air transport assets have been substantially improved with the acquisition of AN-26 aircraft. Long-range capabilities have been enhanced by the expansion in Cubana, the island's national airline, which has received five TU-154 and nine IL-62 jet airlines in recent years. Most recently, Cubana has received its first IL-76 transport, capable of carrying up to 40 tons, including oversize cargo (i.e. light armored vehicles). [redacted]

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[redacted] Havana [redacted] has developed a limited but growing potential to conduct offensive off-island military actions, with or without Soviet support, as a consequence of the improvements in its defensive capabilities.* In addition to the ability to provide small combat units and technical advisory teams to friendly regimes, Havana has acquired nascent capabilities to intervene in neighboring states without direct Soviet support if unopposed. In particular, its 5,000-7,000 elite troops (airborne-, airmobile- or amphibious-qualified) can be deployed rapidly in the Caribbean basin to reinforce friendly regimes, or attack targets not defended by substantial forces. [redacted]

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To put this in perspective, an airborne attack using all of Cuba's AN-26 transports could deliver about 1,000 paratroops in a single unopposed drop, but no heavy equipment. Havana's amphibious assault ships and merchant vessels could easily deliver a regimental-size unit to a friendly port. If utilizing both its sealift capacity and passenger aircraft, Havana could introduce a large, well-equipped force in a short time for security or combat duty. Cuba could independently introduce as many as 25,000 men, but keeping a force of this size supplied under sustained combat or dispersed garrison conditions would severely tax the capabilities of the transportation and logistics

* Cuba's intervention capabilities have improved considerably since its large-scale intervention into Angola nine years ago. Havana relied heavily on a few worn Bristol Britannia aircraft, which suffered from maintenance difficulties and needed two refueling stops en route, to airlift troops at the beginning of the Angola operation. Since then, it has received its entire fleet of long range transport aircraft, more than doubling its airlift capacity, and its sealift capacity has greatly expanded as well. [redacted]

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systems; supporting a force of about 10,000 appears well within Cuban capabilities, assuming secure lines of communication. []

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MIG-23B (Flogger F) fighter-bombers and more than 40 attack/transport helicopters provide Havana's primary ground attack capability, although the late-model MIG-21 and MIG-23 fighters that form the bulk of its inventory also could be used in that role. The latter would be less capable in the attack role than the MIG-23B, however--they can deliver one-sixth the bombload at about two-thirds the range of the MIG-23B. Cuban fighter and fighter-bomber aircraft have insufficient range to secure air superiority and operate effectively over Central America* or the Eastern Caribbean from Cuban bases. From airfields in Nicaragua, however, Cuban MIGs would be able to cover most of Central America, including the approaches to the Panama Canal. []

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Over the next few years, Havana's military capabilities--both offensive and defensive--will continue to grow as it receives additional arms and transport assets from the Soviets. Likely deliveries include more submarines and amphibious landing ships; more-capable interceptor aircraft, including perhaps the MIG-25; and additional ground weapons. All of these systems will further improve Havana's defensive capabilities, and many could be used offensively as well. We also expect the Cubans to receive two or three additional IL-76 heavy lift transport aircraft, which will give them increased flexibility in quickly responding to requests for assistance from allies throughout the region. []

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* Depending on mission profile and payload, MIG-23's, operating from bases in Western Cuba, could conduct limited ground-attack missions inside an arc extending from Western Yucatan, Mexico, through Honduras to north-central Nicaragua. []

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TAB 3. Cuba's Role in CEMA

Cuba became a CEMA member in 1972, but its integration into the Soviet-dominated organization has accelerated in recent years, primarily due to Soviet efforts to redistribute the growing cost of providing economic support to the Castro regime. Cuba is one of only three non-Warsaw Pact members of the organization (Mongolia and Vietnam are the other two). Havana's membership in CEMA requires it to submit investment and foreign trade plans to CEMA's Executive Committee in Moscow, and planning is mutually coordinated among the different CEMA partners. Cuba became a member in 1974 of the International Investment Bank and the International Bank for Economic Cooperation, both controlled by CEMA. Since the mid-1970s, aid to Cuba provided by CEMA's Eastern European members has grown substantially to an estimated \$744 million in 1983, and an estimated 2,000 to 3,000 Eastern European technical advisors are stationed in Cuba. [REDACTED]

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Under CEMA, Cuba has assumed the role of producer of agricultural and raw materials. In return, as a developing economy, it is the recipient of technical assistance and manufactured goods from the East European members. The CEMA Council meeting held in Havana in October of this year reaffirmed Cuba's status as a supplier of agricultural produce and raw materials, and gave us indication of a new emphasis on industrial or high technology development. [REDACTED]

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At the CEMA Summit meeting in Moscow last June, a number of agreements were reached which could lead Cuba to become a conduit for denied technologies to the Soviet bloc. For example, member countries agreed to cooperate in the production of micro-processors and industrial robots. Members also agreed to speed up jointly the introduction of advanced technology and production processes. [REDACTED]

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[REDACTED] all CEMA members have agreed to report all licensing agreements with Western firms to CEMA headquarters in order to avoid duplication of technology purchases among CEMA countries. [REDACTED]

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[REDACTED] CEMA states are then obligated to make any technology they obtain available to all the CEMA partners. [REDACTED]

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Despite Cuba's deepening involvement in CEMA, the Castro regime's economic dependence on the USSR has grown even more rapidly in recent years as a result of the slump in world sugar prices, hard currency debt arrearages, and inability to attract Western investment, especially for tourism ventures. Without Soviet aid, Havana would be hard-pressed to meet even basic consumption and investment needs. Soviet economic aid in 1982--valued at about \$4.6 billion--corresponded to somewhat more [REDACTED]

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than 30 percent of Cuba's real output. Overall, this aid--comprising trade subsidies and development assistance and totaling nearly \$29 billion since 1960--has increased markedly since 1974. [REDACTED]

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Cuba depends on the Soviet Union for about 70 percent of its total trade. Moscow supplies Havana with nearly all its crude petroleum and petroleum products, grain, lumber and much of its industrial, agricultural and transport equipment. In turn, Cuba exports the bulk of its sugar, nickel and citrus production to the USSR. Since the mid-1970s Soviet economic aid to facilitate this commerce has consisted primarily of Moscow's paying artificially high prices for Cuban goods while pricing its exports to Cuba below world market levels. These subsidies--actually representing grants--have totaled some \$20 billion since 1961. [REDACTED]

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Moscow also provides Cuba--both directly and through CEMA--materials, equipment and advisors for projects relating to export development and import substitution. This aid is extended in the form of long term credits and concessional interest rates. [REDACTED] over 200 projects and enterprises were constructed or expanded during Cuba's first five year plan (1976-80) through Soviet assistance. Overall development assistance-project aid as well as trade deficit financing has totaled nearly \$9 billion since 1960. [REDACTED]

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As Cuba's economic dependence upon the Soviet Union has grown, Moscow has steadily increased its control over the island's economic planning. The first significant step--the formation of a "Cuban-Soviet Commission of Economic, Scientific and Technical Collaboration"--was taken in 1970, the year of Castro's ill-fated attempt to harvest 10 million tons of sugar, a desperate gamble designed to achieve economic independence and thereby stave off Moscow's demands of major changes in Cuban economic policies. [REDACTED]

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The Commission has become an instrument for strong Soviet influence over Cuban economic policy. In 1975, the Soviet directed "System for Economic Management and Planning" was established prior to the implementation of Cuba's first five year plan. Recently, the USSR and Cuba have concluded a long-term economic cooperation accord for the period 1986 to 2000.* [REDACTED]

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* One of the priority programs identified in the accord is electronics, including work related to computer display equipment. It is possible that implementation of this part of the accord could lead to greater Soviet-Cuban interest in acquiring COCOM controlled computer products. [REDACTED]

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TAB 4. Western Dual Use and Munitions Sales to Cuba

Definitional ambiguities and lack of data* make it difficult to quantify the magnitude and value of Western dual-use sales to Cuba. However, most of the Western sales to Cuba identified by us as "dual-use" have gone either to civilian facilities or to unknown end-users. The absence of explicit military end-users is probably due to the provision by the Soviet Union of essentially all of Cuba's military needs. Moreover, with few exceptions, the dual-use equipment shipped to Cuba is rather low-level technology and normally not designed for, or useful in, weapons systems or military related functions. [redacted]

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Although we cannot make a convincing case for Cuban military use of imported Western dual-use equipment, we can provide some representative examples that at least illustrate the potential for military use of several acquisitions:

- [redacted] 40 business computers from CASIO (Japan) worth a total of \$80,000 could be converted to military use by the Cubans, but we do not know whether the sale of the marginally low level COCOM-controlled computers ever occurred.
- A semiconductor plant located at Pinar Del Rio includes US equipment illegally shipped to Cuba through the Piher firm of Spain. Although the plant was slated for TV tube production, it could also be used for integrated circuit production applicable to military purposes, although probably not for advanced devices. We do not know, however, whether the problems that have plagued the plant from the start have been corrected and production has begun. [redacted]
- [redacted] automotive engine technology acquired from Dimisa of Spain in 1978--which most likely would not be controlled--could be used in naval ships and armored personnel carriers, although the engines were slated for use primarily to power light vehicles, buses, trucks, sugar combines, boats and other vehicles. The Spanish engine was based on a Mercedes Benz model but had enough dissimilarities to protect Dimisa from patent infringement litigation by Mercedes. [redacted]

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* The only Western country which maintains data on Western dual-use sales is the United States, which maintains but does not publish the Department of Commerce export licensing data base. Only data on broad (SITC) categories are available, and these provide no useful information on COCOM dual-use trade. [redacted]

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Western military sales to Cuba have been minimal compared to the more than \$5 billion in military equipment provided by the Soviet Union to Cuba through 1983. The largest Western military transactions have involved French companies. In 1981, a French company was reported to have sold some 30 metric tons of .22-caliber ammunition that we believe subsequently may have been transported to Nicaragua. In 1982, French firms are reported to have signed contracts with the Cubans calling for the delivery of 25 to 30 million rounds of .22-caliber ammunition. So far in 1984, French businesses are believed to have shipped as much as 85 to 90 metric tons of cartridges and ammunition to Cuba as well as a quantity of detonators. A portion of the 1984 ammunition sales were made by the same French company which delivered ammunition to Cuba in 1981. This fact, [redacted]

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[redacted] indicates that the 1984 shipment might also be intended ultimately for Nicaragua. [redacted]

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British, Japanese, West German, Portuguese and Italian companies have also sold military-related goods to Cuba. British firms are reported to have sold some 200 kilograms of cartridges in 1982, and were negotiating a deal to sell about 300,000 rounds of cartridges to Cuba in 1983. Cuba contracted with a Japanese firm in 1982 to purchase 10,000 case lots of cartridge components for hunting rifles and shotguns. West Germany shipped approximately 40 kilograms of firearms and an unspecified number of tripods to Cuba in 1982. Earlier this year, Cuba was also seeking offers from West German and British firms for gas masks, bullet-proof vests, and other goods for camouflage infantry uniforms. Italy delivered .22-caliber training ammunition in 1980 and 1981. [redacted]

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Since mid-1983, the Cubans have been negotiating for ammunition production plants with companies from West Germany, Belgium, France, and Spain. Cuba wants to build at least one plant capable of producing one billion rounds of ammunition. The latest information available on these negotiations indicates that, as of mid-1984, Cuba was encountering unspecified contractual difficulties with a West German firm that were delaying construction of machinery capable of manufacturing ammunition. In late 1983 and early 1984, Cuba was reported to have concluded several agreements with Spanish firms for precision tools, metal-working equipment and measuring equipment that may be associated with ammunition plant purchases. [redacted]

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We suspect that the limited level of military sales we note indicates that our COCOM partners, frequently embargo sales of military equipment to Cuba as they do to the COCOM-designated communist countries. Moreover, with the major ongoing Bloc effort to supply Cuba with military equipment, we doubt there is [redacted]

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a need on the part of Havana to purchase essential military equipment from the West. Also, the Soviets, for their part, probably see no particular requirement for Cuba to expend hard currency for the types of munitions and equipment which the Cubans have so far sought from the West. [REDACTED]

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SUBJECT: CUBA: Discussion of Issues Related to Cuba as a
Potential COCOM Destination

Distribution:

Original - Mr. William Schneider, Jr.

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DDI/ALA/MCD/CU/[REDACTED] (29 November 1984)

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31 October 1984

NOTE FOR: D/ALA

John:

Please take appropriate action on the request in the attached letter from William Schneider, Under Secretary of State for Security Assistance, Science and Technology, coordinating with OGI and OSWR. Note he would like the paper by 30 November.

Thanks,

STAT

EA/DDI

cc: D/OGI
D/OSWR

United States Department of State

*Under Secretary of State for
Security Assistance, Science and Technology*

Washington, D.C. 20520

October 29, 1984

DDI- 06182-84

CONFIDENTIAL

Mr. Robert M. Gates
Deputy Director for Intelligence
Room 7E44, Headquarters
Central Intelligence Agency
Washington, D.C. 20505

Dear Bob:

The strategic trade policy agencies are considering whether or not to propose to COCOM that Cuba be made a proscribed destination.

In formulating our final position on this question, it would be most helpful if your Cuba specialists could prepare a paper for us which addresses the following issues:

- (1) Cuba as an extension of Soviet military power, especially Cuba's role as a proxy for the USSR in the Caribbean, Latin America, and Africa;
- (2) Cuba's offensive military capabilities, current or planned;
- (3) Cuba's role in CEMA;
- (4) the extent and type of Western (especially COCOM member) dual-use sales to Cuba;
- (5) examples of Western dual-use sales that have enhanced Cuban military capabilities; and
- (6) examples of any legal or illegal Western (especially COCOM member) munitions-list sales to Cuba.

Please note the TTIC recently completed a quick study entitled Cuba: The Technology Transfer Issue which makes clear that there is no strong evidence of diversions to the USSR by Cuba.

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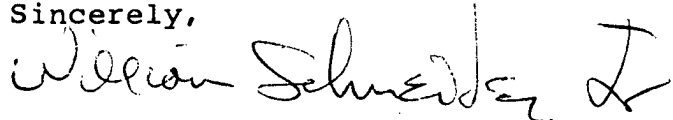
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A paper of not more than 20 pages by November 30 would be greatly appreciated. The reason for this date is that the next COCOM High Level Meeting will be held in late January.

If we go ahead with the the Cuba action as a US objective for that meeting, it will probably be necessary to brief COCOM delegates in Paris in December.

We appreciate the excellent support we have gotten from your office and your agency in general on the technology transfer issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Schneider, Jr.", followed by a large, stylized initial "J".

William Schneider, Jr.

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